



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

SOUTH CENTRAL REGIONAL OFFICE

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May 20, 2008

L. Preston Bryant, Jr.
Secretary of Natural Resources

David K. Paylor
Director

Thomas L. Henderson
Regional Director

STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION ORDER BY CONSENT ISSUED TO GRIFFIN PIPE PRODUCTS COMPANY REGISTRATION NUMBER 30397

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1300 *et seq.* and 10.1-1185, between the State Air Pollution Control Board and Griffin Pipe Products Company, for the purpose of resolving certain violations of Air Pollution Control Law and regulations. This violation was addressed in a Notice of Violation ("NOV") dated October 18, 2007.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Va. Code" means the Code of Virginia (1950), as amended.
2. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in VA Code §§ 10.1-1301 and 10.1-1184.
3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality.
5. "Order" means this document, also known as a Consent Order.
6. "Griffin Pipe Products Company" means Griffin Pipe Products Company, certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.

7. "Facility" means the Griffin Pipe Products Company facility, located in City of Lynchburg County, Virginia.
8. "Regulations" mean the "State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution," which have been incorporated into Title 9 of the Virginia Administrative Code ("VAC").
9. "SCRO" means the South Central Regional Office of DEQ, located in Lynchburg, Virginia.

SECTION C: Findings of Fact and Conclusions of Law

1. Griffin Pipe Products Company owns and operates a ductile iron pipe manufacturing facility in the City of Lynchburg, Virginia.
2. The Facility operates pursuant to a Title V permit effective August 21, 2006, and a State Operating Permit (SOP) dated April 16, 2007.
3. An on-site inspection was conducted at the Facility on August 28, 2007. The findings of the on-site inspection resulted in the issuance of a Notice of Violation ("NOV").
4. A NOV was issued to the Facility on October 18, 2007, citing the following violations:
 - Failure to provide weekly visible emission observations from the dust treatment chemical silo fabric filter exhaust (S22A1) records;
 - Failure to record weekly visible emission observations for the shell sand silo (S18A1) and sand transfer silo (S23A1) as single visible emission observations;
 - Failure to provide specifications for visual emission inspections performed on each received shipment of scrap to ensure the materials; and
 - Failure to maintain copies of scrap suppliers' procedures which are implemented to ensure removal of accessible mercury switches or for purchases of automobile bodies which have had mercury switches removed.
5. On October 23, 2007, Griffin Pipe Products Company responded to the NOV. The facility agreed to enter into a Consent Order, and decided to pursue a Supplemental Environmental Project ("SEP").
6. The Facility has taken corrective actions to resolve the above described violations including; utilizing a visible emission evaluation inspection checklist which includes emission point S22A1, performing individual visible emission evaluations on S18A1 and S23A1, performing and documenting visual inspection of received scrap shipments, and obtaining copies of scrap suppliers' procedures to minimize mercury within scrap.
7. The Facility submitted copies of the visible emission evaluation inspection checklist, scrap inspection documents, and scrap suppliers' procedures to minimize mercury within scrap to the DEQ on October 31, 2007, October 31, 2007, and November 1, 2007, respectively. These documents shall be implemented and maintained to demonstrate compliance with the Facility's permit requirements.

8. The Facility submitted a SEP proposal on December 13, 2007. The SEP proposed to install tertiary containment for the Facility 20,000 gallon diesel above ground storage tank. The proposed SEP was approved by the DEQ on January 24, 2008.
9. Griffin Pipe Products Company shall implement the SEP as identified in Appendix A of this Order. The cost to Griffin Pipe Products Company for the SEP shall be a minimum of \$3,212.30. Upon completion of the SEP, pursuant to Virginia Code § 10.1-1186.2 and as described in Appendix A, Griffin Pipe Products Company shall within 30 days, but no later than November 18, 2008, provide a completion report including actual SEP costs to the Department.
10. In the event that the SEP is not performed as described in Appendix A, upon the Department's determination of non-performance and within 30 days of notification by the Department, the civil charge is due in full. Griffin Pipe Products Company shall pay the amount of the SEP specified in paragraph 9 of this Section.
11. The SCRO DEQ staff is satisfied with the terms of this Order.

SECTION D: Agreement and Order

Accordingly, the Board, by virtue of the authority of §§ 10.1-1307(D), 10.1-1309, 10.1-1184, 10.1-1316(C), and 10.1-1186.2 orders Griffin Pipe Products Company and Griffin Pipe Products Company agrees to perform the actions described below and in Appendix A of this Order. In addition, the Board orders Griffin Pipe Products Company, and Griffin Pipe Products Company voluntarily agrees, to a civil charge of \$4,589.00 in settlement of the violations cited in this Order, to be paid as follows:

1. Griffin Pipe Products Company shall pay \$1,376.70 of this civil charge within 30 days of the effective date of this Order. Payment shall be made by check, certified check, money order, or cashier's check payable to the "Treasurer of Virginia," delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

The payment shall include Griffin Pipe Products Company's Federal Identification Number and shall indicate that the payment is being made in accordance with the requirements of this paragraph.

2. Griffin Pipe Products Company shall satisfy \$3,212.30 of the civil charge by satisfactorily completing the Supplemental Environmental Project (SEP) described in Appendix A of this Order.
3. The net project cost of the SEP to Griffin Pipe Products Company shall not be less than the amount set forth in Paragraph D.2 above. If it is, Griffin Pipe Products Company shall pay the remaining amount in accordance with Paragraph D.1 of this Order, unless otherwise agreed to by the Department. "Net project costs" means the net present after-tax cost of the SEP, including tax savings, grants, and first-

year cost reductions and other efficiencies realized by virtue of project implementation. If the proposed SEP is for a project for which the party will receive an identifiable tax savings (e.g., tax credits for pollution control or recycling equipment), grants, or first-year operation cost reductions or other efficiencies, the net project cost shall be reduced by those amounts. The costs of those portions of SEPs that are funded by state or federal low-interest loans, contracts, or grants shall be deducted.

4. By signing this Order Griffin Pipe Products Company certifies that it has not commenced performance of the SEP.
5. Griffin Pipe Products Company acknowledges that it is solely responsible for completing the SEP project. Any transfer of funds, tasks, or otherwise by Griffin Pipe Products Company to a third party, shall not relieve Griffin Pipe Products Company of its responsibility to complete the SEP as described in this Order.
6. In the event it publicizes the SEP or the SEP results, Griffin Pipe Products Company shall state in a prominent manner that the project is part of a settlement of an enforcement action.
7. The Department has the sole discretion to:
 - a. Authorize any alternate, equivalent SEP proposed by the Facility; and
 - b. Determine whether the SEP, or alternate SEP, has been completed in a satisfactory manner.
8. Should the Department determine that Griffin Pipe Products Company has not completed the SEP, or alternate SEP, in a satisfactory manner, the Department shall so notify Griffin Pipe Products Company in writing. Within 30 days of being notified, Griffin Pipe Products Company shall pay the amount specified in Paragraph D.2., above, as provided in Paragraph D.1., above.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Griffin Pipe Products Company, for good cause shown by Griffin Pipe Products Company, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves those alleged violations specifically identified herein, including those matters addressed in the Notice of Violation issued to Griffin Pipe Products Company by DEQ on October 18, 2007. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.
3. For purposes of this Order and subsequent actions with respect to this Order, Griffin Pipe Products Company admits the jurisdictional allegations, factual findings, and conclusions of law contained herein.

4. Griffin Pipe Products Company consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Griffin Pipe Products Company declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 2.2-4000 *et seq.*, and the State Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by Griffin Pipe Products Company to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Griffin Pipe Products Company shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Griffin Pipe Products Company shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Griffin Pipe Products Company shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director in writing within 24 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim of inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Griffin Pipe Products Company. Notwithstanding the foregoing, Griffin Pipe Products Company agrees to be bound by any compliance date, which precedes the effective date of this Order.

11. This Order shall continue in effect for one year from the date of the order or until the Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Griffin Pipe Products Company. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Griffin Pipe Products Company, from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. By its signature below Griffin Pipe Products Company voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of 6-16, 2008.

Steven A. Outrich
Regional Director
Department of Environmental Quality

Griffin Pipe Products Company voluntarily agrees to the issuance of this Order.

By: Robert J. Zech
Date: 6-9-08

Commonwealth of Virginia, City/County of Lynchburg

The foregoing document was signed and acknowledged before me this 9th day of

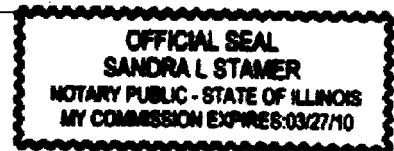
June, 2008, by Robert Zech, who is
(name)

VP-Operations of Griffin Pipe Products Company on behalf of the Corporation.
(title)

Sandra L. Stamer
Notary Public

My commission expires:

March 27, 2010



APPENDIX A

Griffin Pipe Products Company shall perform the SEP identified below in the manner specified in this Appendix.

1. The SEP to be performed by Griffin Pipe Products Company is to install a tertiary containment system to contain an accidental release of diesel fuel from the facility 20,000 gallon above ground storage diesel tank or other releases to stormwater. Tertiary containment shall be designed to prevent 20,000 gallons of diesel fuel, in the event of a release, from migrating off Facility property.
2. The SEP shall be completed by October 18, 2008.
3. Griffin Pipe Products Company shall submit a progress report on the SEP on August 1, 2008.
4. Griffin Pipe Products Company shall submit a written final report on the SEP, verifying that the SEP has been completed in accordance with the terms of this Order, and certified either by a Certified Public Accountant or by a responsible corporate officer or owner. Griffin Pipe Products Company shall submit the final report and certification to the Department within 30 days from the effective date of the Order.
5. If the SEP has not or cannot be completed as described in the Order, Griffin Pipe Products Company shall notify DEQ in writing no later than September 18, 2008. Such notification shall include:
 - a. an alternate SEP proposal, or
 - b. payment of the amount specified in Paragraph D.2 as described in Paragraph D.1.
6. Griffin Pipe Products Company hereby consents to reasonable access by DEQ or its staff to property or documents under the party's control, for verifying progress or completion of the SEP.
7. Griffin Pipe Products Company shall submit to the Department written verification of the final overall and net project cost of the SEP in the form of a certified statement itemizing costs, invoices and proof of payment, or similar documentation within 30 days of the project completion date. For the purposes of this submittal, net project costs can be either the actual, final net project costs or the projected net project costs if such projected net project costs statement is accompanied by a CPA certification or certification from Griffin Pipe Products Company's Chief Financial Officer concerning the projected tax savings, grants or first-year operation cost reductions or other efficiencies.
8. Documents to be submitted to the Department, other than the civil charge payment described in Section D of the Order, shall be sent to:

Blake Apo - VA DEQ, Air Inspector
7705 Timberlake Road
Lynchburg, VA 24502